# DEPARTMENT OF THE NAVY FLEET READINESS CENTER EAST PSC BOX 8021 CHERRY POINT, NC 28533-0021

5720 11.6-AFG/002736 29 March 2019

#### VIA ELECTRONIC MAIL:

Mr. Jeffery McCartney 235 Bobbys Drive Newport, NC 28570 e-mail: mccartneyjc@msn.com

Subj: RESPONSE TO FREEDOM OF INFORMATION ACT REQUEST DON-NAVY-2019-002736

Ref: (a) Your FOIA Request of 14 Jan 19

- (b) FRC East FOIA Program ltr 5720 11.6-AFG/002736 of 20 Feb 19
- (c) Your Confirmation of Description of Records Sought of 21 Feb 19
- (d) FRC East FOIA Coordinator Request for Extension of 21 Mar 19
- (e) Your Agreement to Extension of 21 Mar 19
- (f) DODM 5400.07
- (g) 32 C.F.R. § 286
- (h) 5 U.S.C. § 552

### Dear Mr. McCartney:

- 1. This letter is in response to reference (a), in which you seek the release of Fleet Readiness Center East (FRC East) records related to a local FRC East Investigation. Your request was received in this office on 14 January 2019.
- 2. This office acknowledged your request, via reference (b), on 20 February 2019 and notified you that additional information was required regarding fees and the description of the records sought. In an effort to assist, we also provided you with the Agency's interpretation of the description of the records you are seeking. Reference (c), which was received in this office on 21 February 2019, perfected your request by providing your willingness to pay fees associated with processing your request and confirming the Agency's interpretation of the description of the requested records. Specifically, you are seeking records as described below:

"A copy of the local FRC East Command Investigation that was based on issues raised by Mr. Jeffrey McCartney and conducted by Mr. John Gatt between approximately February 2018 and December 2018."

### Subj: RESPONSE TO FREEDOM OF INFORMATION ACT REQUEST DON-NAVY-2019-002736

- 3. Per reference (d), on 21 March 2019, this office requested a ten working-day extension of time to respond to your request because it was necessary to coordinate with other areas of the command to make a proper release determination regarding some of the information contained in the record. The extension request also notified you that a response would be provided on or before 4 April 2019. On 21 March 2019, you indicated your agreement to the extension, via reference (e).
- 4. In response to your request, a record consisting of 15 pages was determined to be responsive. After review, it has been determined that 15 pages are appropriate for release and are provided as enclosure (1). However, all of the pages of enclosure (1) have been reviewed and redacted consistent with exemptions 5 U.S.C. § 552 (b)(6), which protects information that, if disclosed, would result in a clearly unwarranted invasion of personal privacy, as releases made under the FOIA are releases to the general public at large, 5 U.S.C. § 552 (b)(1), which protects properly classified national security information concerning the national defense, 5 U.S.C. § 552 (b)(2), which protects internal personnel and administrative materials, and 5 U.S.C. § 552 (b)(3), which protects information that is prohibited from disclosure by other laws.
- 5. In accordance with references (f) through (h), because portions of the records have been withheld, you may consider this to be an adverse determination that may be appealed. If you have created an account in FOIAonline, you may submit your appeal directly within the webbased system by logging into your account and clicking the "Create Appeal" tab in the left-hand column. If you do not have a FOIAonline account, you may send an appeal by regular mail to the Department of the Navy, Office of the General Counsel (ATTN: FOIA APPEALS), 1000 Navy Pentagon, Room 5A532, Washington, DC 20350-1000. Your appeal, if any, must be postmarked within 90 calendar days from the date of this letter and should include a copy of your request, a copy of this letter, and a statement indicating why you believe your appeal should be granted. It is recommended that your appeal and its envelope bear the notation "Freedom of Information Act Appeal."
- 6. For any further assistance and to discuss any aspect of your request, you have the right to contact the Department of the Navy FOIA Public Liaison, Mr. Christopher Julka, at Christopher.A.Julka@navy.mil or via telephone at 703-697-0031. Additionally, you have the right to contact the Office of Government Information Services (OGIS) to inquire about the FOIA mediation services they offer. You may obtain information or submit your request for mediation services to OGIS at Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-01. You may also contact OGIS via e-mail at ogis@nara.gov, telephone at 202-741-5770 (toll free at 1-877-684-6448) or facsimile at 202-741-5769.
- 7. Consistent with the provisions of references (f) and (g), the Agency is authorized to charge assessable fees, where applicable. In your case, you were advised by reference (b) that you are entitled to up to two free hours of search time and one hundred pages of records without

Subj: RESPONSE TO FREEDOM OF INFORMATION ACT REQUEST DON-NAVY-2019-002736

incurring search or duplication charges. However, both search time and duplication costs were within the free entitlements, and you are not assessed any fees at this time.

- 8. You are advised that, in accordance with reference (g), the agency is required to make copies of all records released to any person under the FOIA available for public inspection and copying. This includes records the agency determines are, or are likely to become, the subject of subsequent requests for substantially the same records.
- 9. If you have any questions regarding this matter, you may contact this office via telephone at (252) 464-8336 or by e-mail at angel.gaskins@navy.mil or cp\_legal.gm.fct@navy.mil.

JENNIFER B. TOLER

Encl: (1) Investigation into Allegations of Mismanage hent and Prohibited Personnel Practices of 24 Aug 18

## Investigation into Mismanagement and Prohibited Personnel Practices involving 6.1 Supervisors and (b)(1) Program Administration

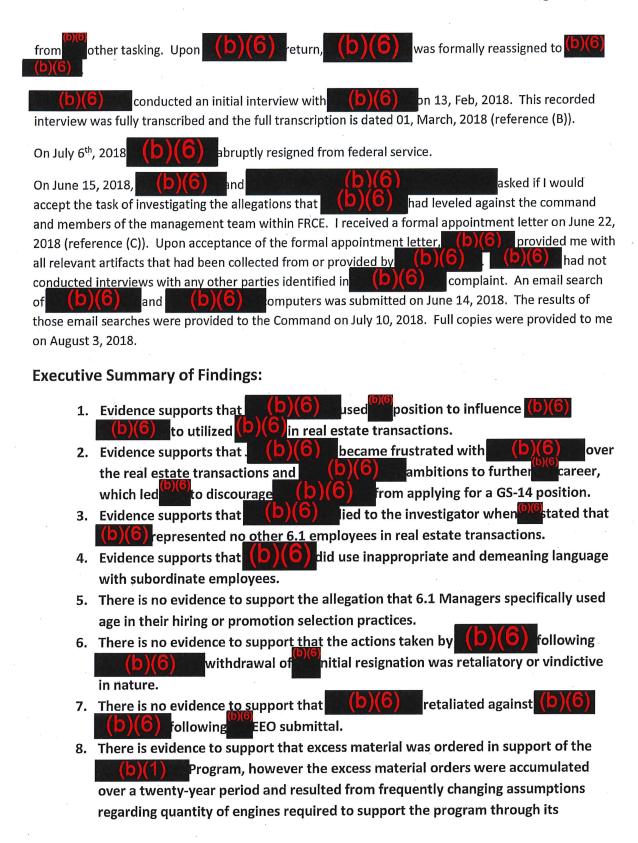
### Final Report - August 24, 2018

- 1. Prohibited Personnel Practices committed by members of management.
- 2. Creating a hostile work environment by members of management.
- 3. Unethical behavior committed by members of management.

4. Fraud, waste and abuse committed by other employees but not addressed by members of management.

### Background:

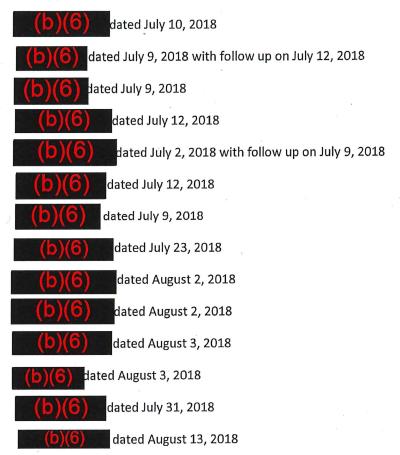


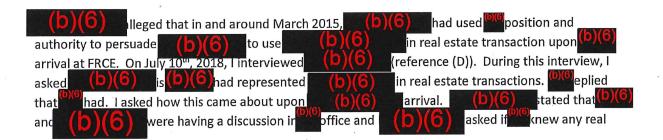


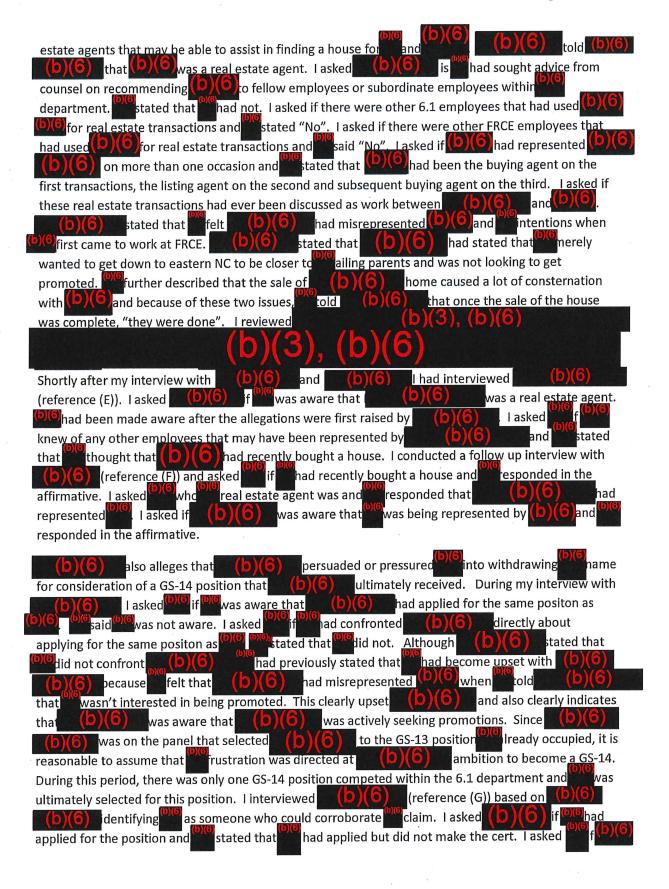
- remaining life, as well as, agreed upon ordering practices between FRCE and PMA personnel.
- 9. There is evidence to support that (b)(1) support personnel did not have the requisite skills to perform the basic functions of their positions. This lack of training led to errors in ordering and inventory control on the Program.

Discussion of Findings:

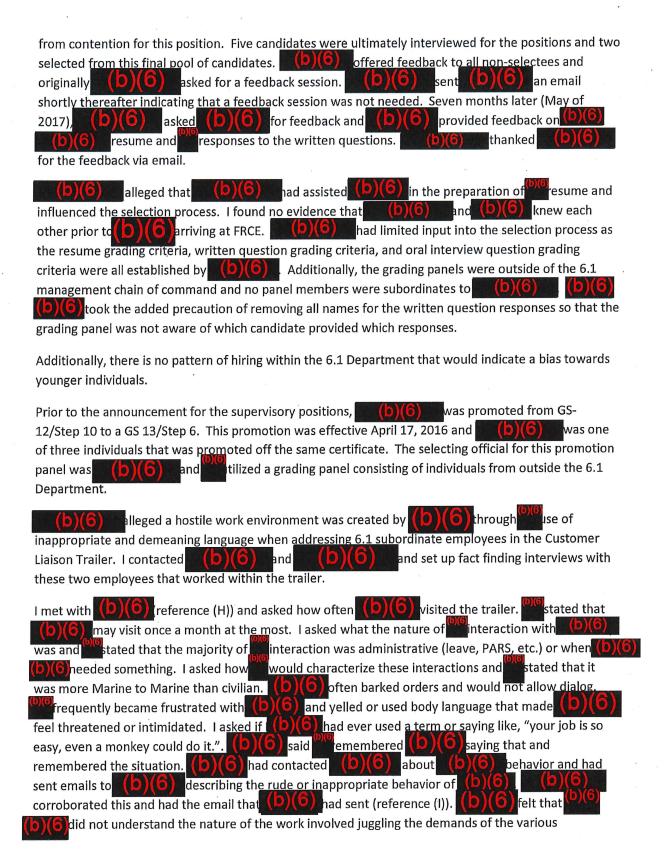
The following personnel were interviewed as part of this investigation:





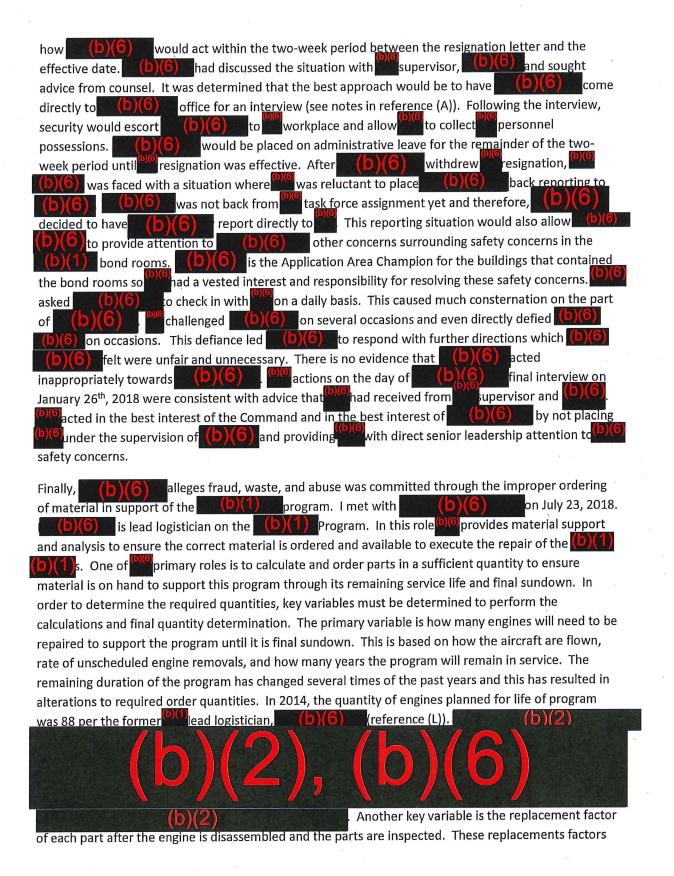


vas aware of was aware of other applicants and concerning the selection process for the GS-14 had a conversation with and stated that described that had approached position. applying for the position and confronted book "competing" directly against for observed stated that told that elt pressured into withdrawing when this conversation had taken from consideration based on this confrontation. I asked (D)(O) what had happened on the day or the next day place and she stated that had told after the confrontation with alleged that the 6.1 management was specifically targeting young employees, thereby discriminating against older or more senior employees. tated that stated that the department needed employees that were going to stay for 20 years or more. During my I asked if had made this statement. stated that interview with were tasked to develop career progression ladders for 6.1 employees. This effort was a part of the development of the 6.0 Logistics and Industrial Operation Career Guidebook which was to contain clearly defined career progression ladders from entry to senior management levels for all competencies within the 6.0 Competency. 6.1 at FRCE typically recruited at the GS-12 level and therefore many lower level personnel residing within other 6.0 competencies were excluded from these recruitment actions. In an attempt to rectify this exclusionary practice, the 6.1 team was to identify lower grade level knowledge, skills, and abilities along with lower grade level Position Descriptions so future recruitment actions (both internal and external) could be expanded to a much more inclusive and more diverse candidate pool. I find that these activities by the 6.1 management team were aligned to overarching goals of the 6.0 Competency Lead and consistent with activities performed by all 6.X competencies both at FRCE, as well as, the other FRC sites. alleges that this age discrimination was a key factor in the promotion of to the GS-13 supervisory positions announced in July of 2016. announcement for the one position to fill one vacancy within Department. Until Market Selected two candidates off this certificate to also fill an additional vacancy caused by retirement. The certification was issued on July 18th, 2016 and received on August 1st, 2016 and contained sixteen candidates for consideration. The announcement was opened for candidates both assembled a panel to grade the resumes. This panel included 🕻 external and internal. nd two individuals from outside of 6.1. Upon the grading of the resumes, the candidates were sent written questions to evaluate writing skills and to evaluate how they would handle various scenarios. The written questions were graded by a different panel which included resume graded at a high enough level to get two others from outside 6.1. While esponses to the written questions scored low and; therefore, the written questions, upervisory skills and contends that make it the cut off for final oral interviews. did not consider this selecting experience were superlative to (10) and interview. Supervisory experience was considered during the resume grading and during this phase of the process. The written questions did not address scored higher than supervisory experience and it was during this phase of the process that vas eliminated



```
programs. Because of lack of understanding (0)(0) vould get frustrated with
                                                                                   and made
comments that "you work for me, not the programs."
I then conducted a fact finding interview with
                                                            reference (J)). (D)(6) works within
the same trailer as (D)(6) and desk is a few feet away from (D)(6)
                                                                        I asked (D)(O)
               use a phrase about a monkey and (b)(6) related the same description as
had heard
                   how interaction with lower was and said typically one-sided.
🖳 🕽 l asked 🚺
used the term military to describe the manner of their interactions.
                                                                    ad witnessed
                                                        talked down to the folks in the trailer.
becoming upset of several occasions and felt that
                                       (b)(6)
                                                    (reference (F)) to discuss the allegations raised
I conducted a fact finding interview with
         and corroborated by (0)(6). I asked (6) how often visited the trailer to
                                        stated that visited perhaps once a month. I asked
interact with
                      and 🛑
          had received any direct civilian supervisory training upon arriving at FRCE and stated
                     had ample supervisor experience while in the military. I asked if
       had not but
                                                                       had not. I asked if
performed any personnel actions since coming aboard and stated that
                                                                stated that
had discussed expectations for
                                            when
                                                     arrived.
emphasized the importance of using the proper procedures and directives when performing duties. I
           had specifically discussed how to address and interact with employees and stated that
asked if
            had not addresse<u>d th</u>is issue. I a<u>ske</u>d if recalled using a statement about how a job was
so easy a Monkey could do it. stated that did not recall making that statement. I asked if
           temper with (D)(6) and stated that had not. stated that (D)(6) required a
                     to perform job correctly. stated that did recall telling that
lot of direction to get
              lead logistician on H53 program) was not boss. This was a result of a concern that
     was placing too much priority on the H53 program versus the numerous other programs requiring
support.
                                        created a hostile work environment upon
              alleges that
supervisory duties following completion of the special task force assignment. Fact finding interview was
                                                                         (reference (E)).
                                        nteraction with
conducted with
                           to discuss
                                            (D)(6) had become angry to the point that
((C))((G)) described a few incidents in which
hung up the phone on (b)(6)
                                          o describe this particular incident.
                                . I ask
       had assumed the role of
                                                 supervisor wanted to become more familiar
that as
                                              had approached
                                                                         concerning the
                      Program.
                                           (b)(1)
                                                      Program participants.
processing of the special act awards for the
(D)(6) why was pursing the awards so early in the fiscal year, as the process states that the
                                                                            conveyed that 🛄
awards would be processed in the fourth quarter each fiscal year.
wanted to ensure that the awards were processed in a timely manner.
                                                                              had assured
that they would be processed in accordance with the instructions. As
                                                                            was researching the
                                   had received an award for $1000.00 the year prior. The timing of
        noted that
this award corresponded with the (D)(1) Awards.
had received a (b)(1) Award the year prior. said said not know.
                                                                        asked if
                                                         couldn't remember. After pressing 🚺
$1000 dollar award the year prior and
```

```
finally ackno<u>wle</u>dged that had received a (()(1) Award the
           further,
                                                 realized that did not meet the eligibility
                       asked
                                                                      nung up on
requirements for the (())(1) Award the year prior and
                                               sent an email to
Immediately after the phone call,
                                                            unable to support the
effectively withdrawing security clearance and making
                      called back to finish the conversation with
program.
                      was trying to determine if
                                                              had submitted
                                                                                    for the award.
                                                                                 or the award
later<u>det</u>ermined that
                                        had mistakenly submitted
            was not eligible. As the ( (b)(1) Program Manager, it is reasonable to assume that
                             was not eligible for the $1000 award the year prior.
           was aware that
                            was eligible for the award the current year and informed (6)(6)
determined that (b)(6)
                would be processing award immediately upon return from leave but still within
 (6) that
the timeframe described in the instruction. also stated that they would discuss the email and the
                                                        stated that it wasn't necessary, but ((D)(6))
           conversations upon
                                  eturn.
                                                          behavior.
        felt that it was necessary to correct
                                   had called a meeting for all stakeholder in the
On another occasion,
                                                             and
             had sent the meeting invite to the
Program.
             o determine was the purpose of the meeting was and what the agenda was.
                     to ask for an agenda to determine what the purpose of the meeting was.
called
          had portrayed the meeting as an informational meeting with the IPT leads providing status
                                                                had invited a multitude of artisans
of the engine program to the PMA representatives.
                                                    (D)(6)
and shop support personnel. As the meeting started, the agenda quickly deviated from the plan. The
engine IPT lead allowed all the artisans and support personnel to leave the meeting and
                                                               had placed the FRC IPTs leads in a
                                      stated that
became extremely upset.
position requiring them to defend their performance to the PMA representatives. Following the
meeting, IPT participants relayed their disappointment to (b)(6) and she called a meeting in
office with
                                    and
                                                 oyalty to the Command. Immediately after the
iersey do you wear?" questioning
                                                                          defiantly told
                             (b)(6) walked outside and (D)(6)
meeting,
that oyalty was to the Marine Corp and to the Program. did not acknowledge any wrong doing
        recognize how actions during the meeting with the PMA customers may have contributed
to an unnecessary rift between the customer and service provider. These examples of confrontations
                                       indicate a confrontational and contentious relationship
                            (b)(b)
                       and
between
between supervisor and employee but there is no evidence to support that
created a hostile work environment.
              alleges that (b)(6) had created a h<u>ostil</u>e work environment following(b)(6)
             eturn to work in early February 2018 after withdrew resignation. I conducted an
                   reference (K)) and asked bout the circumstances surrounding 🕻
           being escorted from the building on January 26<sup>th</sup>, 2018 by FRCE security.
                     resignation letter and allegations contained therein caused some concern about
```



can and do experience perturbations resulting in order quantity risk. Because the replacement factors change frequently, and the program wanted to ensure that required parts were on hand to facilitate repairs, orders were based on 100% replacement factors thereby erring on the conservative side for order quantities. Finally, another key variable is quality or fall out rate of incoming material. There are instances of new parts being ordered and upon receipt it is found that these parts are not within required specification limits and cannot be utilized during the repair evolution. The combination of these independent variables lead to the complexity of determining an accurate quantity of each required part ordered to support the program through its remaining life. There is evidence to support attempted to elevate the order quantities through manipulation of the Gross was concerned that the Demand Plan (GDP) algorithm. Emails demonstrate that method by which material is ordered through the GDP process would lead to possible shortages later in recommended alternative work-arounds which the program life. alleviate theses shortages (reference (M)). Although recommendations were not implemented, this attempt is illustrative of the methods stakeholders employed to ensure the program would never suffer a material deficiency.

One of the primary functions of Lead Logistician (6)(6) previously) is to perform the life of program material support analysis. As the analysis is performed and refined, the required quantities are compared to the on-hand existing inventory and deficiencies are identified. These deficiencies are ordered directly through DLA or provided through supply channels maintained by the PMA. As parts are received at FRC, they are inventoried and placed in the secure bond rooms until such time as they are needed to execute a repair evolution. contends that FRC had purchased a multitude of parts that were not needed and ordered parts from DLA that were also provided a comparison between the FRC Bill provided by the PMA. As evidence of this, engine and the General Electric BOM for the of Material (RBOM) for the identified stock numbers which were on both BOMs and concluded that parts were being engine. ordered from DLA while they were being provided by the PMA (through GE). While the stock numbers may have been included in both BOMs, this does not equate to actual orders being placed. For example, Gas Generator Turbine Blade (NIIN 011183307), was listed on the FRC BOM and the GE BOM. Ordering history revealed that this part was only ordered from GE (through PMA). In order to determine which items were actually purchased against each engine, data identifying all requisitions associated with the last five engines sold by FRCE was acquired. This data included all items ordered and received and ultimately billed to each of the five engines. This listing does not include items which were provided by the PMA that were also used to repair these five engines. The normal ordering practices employed by is to check all identified requirements against the responsible Production Controller ( ( ( ( ( ) ) ( 6 ) ) current bond room inventory. If the item is not found within the bond room, then a requisition is placed with DLA to purchase the part. This practice ensures that parts provided from the PMA though GE are exhausted first before an additional purchase request in executed with DLA. I found minor irregularities in the order/received quantities of a minority of the stock numbers within this data set. These irregularities were identified by the order quantity being larger than the identified quantity per assembly (QPA). These irregularities are not necessarily erroneous as many could be explained by failure or damage to the part incurred during the repair. I identified 39 items representing 8 unique

stock numbers which were purchased from DLA totaling \$12,813.68 and also contained on the GE BOM. Reviewing the date of receipt of each of these items and comparing to date receipts of all items in the bond rooms, I found evidence that these items were erroneously purchased from DLA as they were readily available at the required quantities within the bond room. Interview conducted with (b)(6) and (b)(6) are revealed that although the PC interrogated the bond room inventory to determine availability of each part, the parts that were found in the bond room were not "unallocated" from the purchase document. This additional step of "unallocating" or removing these parts requirements from the order resulted in the purchase of the 39 items described above. FRCE has implemented process control to ensure that this practice is not repeated.

indicated that The primary PC for the (b)(1) Program is was non-competitively converted from a Tool Parts Attendant to a Production Controller in January of 2017 (reference (N)). (b)(6) was trained by (previous PC) upon (reference (O)) and conversion from TPA to PC. Interviews with revealed that there was no dedicated or structured training program established for conversion to the Production Controller position. Review of performance evaluation's receiv<u>ed a satisfa</u>ctory <u>rating</u> as a PC. Both **(6)** and first line supervisor. (D)(O) interacted responsibilities for (D)(O) was as to convert (()(6) from a TPA to PC to better align actual duties with to the correct series. (b)(6) made the determination to perform this conversion non-competitively even though it was ultimately a promotion for (0)(6) Neither (b)(6) or of the ordering discrepancies attributed to (b)(6) moved over the level of support this program as a result of complaints and concerns raised by provided to the program.

To fully determine if excessive parts were ordered from DLA while being provided by the PMA, a wall to wall inventory was conducted of the (b)(1) bond rooms (reference (P)). All receipted material was documented. The inventory quantities were compared to the required quantities needed to fulfill the program demands of 17 additional engine repairs. The inventory revealed a total of 1350 unique parts on hand. Of these 1350, 45 were deemed to have the required quantity to achieve full program service life. 746 were deemed to be below the required quantity. The remaining 559 were determined to have excess quantities. The total monetary value of excess items identified through the audit was \$9.3 M. Of this total, \$5.3M were items sourced by DLA and \$4M were items sourced by the PMA through GE. To fully assess the manner in which this excess material was accumulated within the bond rooms, a further inventory was conducted (reference (Q)). Twenty-two items where identified representing over 80% of the total value of the surplus parts. 12 of these parts were sourced from DLA and the remaining 10 were sourced from GE through the PMA. The secondary inventory was conducted was instructed to find all of the inventory on August 15<sup>th</sup> and 16<sup>th</sup> by associated with the 22 part numbers identified. (D)(C) was further instructed to identify the delivery date or receipt date associated with the total quantity of items associated with the 22 unique part numbers. The total quantity of items associated with the 22 unique part numbers was 16627. The results are as follows:

1136 items were delivered and receipted at FRCE within the past ten years. This represents 6.8% of the total population.

The remaining 15491 items were delivered and receipted at FRCE prior to 2008.

13171 items were delivered and receipted at FRCE within a three-year period from 2003 through 2005.

The oldest items identified within these 22 part numbers was receipted and delivered in 1973.

To further illustrate the sensitivity of the order quantity analysis to planned remaining engines, the inventory analysis was reassessed based on the planned Life of Program glideslope identified by the PMA in 2014.

This

secondary analysis reveals the extreme volatility associated with the projected remaining engines.

